

OGC 73-1014

6 June 1973

MEMORANDUM FOR: Chief, B&S Division/Office of Personnel

SUBJECT : Medical Expenses of Dependents

1. You asked whether an overseas station or base may advance to an employee the total cost of a dependent's medical expenses and have the first \$35 of this advance liquidated at Headquarters by a transfer of funds from the Insurance Branch (Office of Personnel) to the Office of Finance. Under the applicable law and regulation, the Agency cannot pay the first \$35 of dependent medical expenses. Therefore, since there is no authority to pay the first \$35 of these expenses, there is no basis for making this advance. Any insurance payments an employee may be entitled to receive under the [redacted] Plan are to be settled between the insured and the insurer.

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2. The Foreign Service Act of 1946, as amended, provides that:

In the event a dependent of a United States citizen officer or employee of the Service who is stationed abroad, incurs an illness or injury while such dependent is located abroad, which requires hospitalization or similar treatment, . . . , the Secretary may, in accordance with such regulations as he may prescribe, pay for that portion of the cost of treatment of each such illness or injury that exceeds \$35. . . . 22 U.S.C.A. 1156(b).

OGC Has Reviewed

The Secretary's regulations provide that, "If the patient is a dependent, payment shall not be made for the initial \$35.00 cost of treatment...." 3 FAM 685.3b.

3. The Agency has a centralized ledger and allotment system for expenses such as the overseas medical program. All funds expended for this purpose are only advances and must be sent to Headquarters for approval. A chief of station, however, is only allowed to "approve an advance to cover the amount of the hospitalization and related expenses that will ordinarily be subject to reimbursement...." [redacted]

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[redacted] This handbook also states that in the case of a dependent, "Reimbursement will be made only for that portion of the cost of treatment...that exceeds \$35." [redacted]

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[redacted] These sections of [redacted] indicate that an advance may not be made where a medical claim is one which ordinarily would not be covered under the overseas medical program, and the first \$35 of a dependent's claim is not covered by this program.

STATINTL

[redacted]
Office of General Counsel

OGC: [redacted] cap
Original - Addressee
✓ 1 - Subj. - MEDICAL
1 - [redacted] Signer
1 - Chrono